May 4, 2006

Docket Clerk
Fruit & Vegetable Programs AMS, U.S.D.A.
1400 Independence Avenue, SW
Mail Stop 0243
Washington, DC 20250-0243

Re. Docket Number FV06-1290-1PR
FR Vol. 71, No. 76, pages 20353-20357

To Whom It May Concern:

Valley Fig Growers is hereby submitting this written comment based on the above-mentioned proposed rule relating to the Specialty Crop Block Grant Program.

Valley Fig Growers is an agricultural marketing cooperative specializing in the processing and marketing of dried figs. Valley Fig Growers handles nearly half of all the dried figs grown in the state of California and the United States. Nearly all of Valley Fig Growers members grow and sell fresh figs during the very short fresh season. Most of the figs grown in California end up in the dried fig market, and the only difference between dried and fresh is moisture content. There is no nutritional difference.

We commend the Agricultural Marketing Service for proposing a regulation that is intended to increase the competitiveness of specialty crop agriculture in the U.S.A. and bring some clarity on how a block grant program would be administered. We understand the delicate balance that must be struck to maintain the requisite amount of flexibility but also have some baseline rules on the use of these federal dollars. We acknowledge that there have been past, present and possibly future block grant programs authorized by Congress and that there is a need to have procedures in place for their implementation. It is very important to note however that there are many diverse views within specialty crop agriculture on whether a block grant program to states is the most effective delivery system to increase the competitiveness of specialty crops. Many commodities believe there are a host of other programs that are as effective or more effective than block grants to States. This is a debate that is now underway in the specialty crop industry as we all prepare for the consideration of a new farm bill in 2007. Notwithstanding the above and assuming an authorization for a block grant program is in place, we want to specifically comment on §1290.4(a) of the proposed regulation.

Sec. 1290.4(a) deals with the eligibility of projects under the program and specifically provides that priority be given to "fresh" specialty crop projects. We assume therefore that specialty crops that are dried, frozen or processed in any other way would not enjoy

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Retail, Gift Packs, Bulk (Whole, Pieces, Concentrate, Paste, Custom)

such a priority and would therefore benefit differently and in a diminished way from fresh specialty crops.

Based on this assumption we are at a loss as to why this provision was included in the proposed rule given the statutory definition of specialty crops and its specific inclusion of all fruits and vegetables, tree nuts, dried fruits and nursery crops. Nowhere does the definition differentiate between "fresh" and other fruits and vegetables whether they are dried, frozen or in any other way processed. Moreover, the authorizing legislation, the Specialty Crop Competitiveness Act of 2004 (7 USC 1621) makes no such distinction nor confers any priority on "fresh" specialty crops.

A little legislative history may be instructive. When this bill was debated in Congress, it started out as a "fresh produce" bill but was quickly expanded to include all specialty crops and for very good reasons. Not only did the broadening of the legislation expand the necessary support for the bill, but it was recognized that there was a dried, frozen or further processed crop industry attached to all "fresh" commodities. More importantly, it was recognized that in order to truly enhance the competitiveness of specialty crops, a more cohesive industry position needed to emerge before Congress instead of the historic petty differences between crops. Finally, individual members of Congress did not want to be in a position of picking winners and losers in their respective districts depending on whether you were in a fresh commodity versus a processed commodity or both.

It is not at all clear why the AMS seeks to establish this priority, on its own initiative, given the statutory definitions and the debate surrounding the Specialty Crops Competitiveness Act of 2004. In fact, it seems inconsistent with other long-held policy decisions of the agency like the prohibition of disparaging advertisements under the USDA marketing and promotion orders. Clearly that policy was to allow individual commodities the ability to sing their own praises and promote their own positive attributes without disparaging other commodities in the marketplace. This type of policy places the agency in the proper role of administering its various programs without any favor or priority of one commodity over another.

Based on the foregoing, we believe it is clear that creating a priority for one type of specialty crop over another in a block grant program without a statutory directive to do so is bad policy and just plain wrong. We therefore respectfully request this priority be removed from any final rule that the agency seeks to promulgate.

Respectfully submitted,

Michael N. Emigh
President